BOYD GROUP SERVICES INC.

INTERIM REPORT TO SHAREHOLDERS
First Quarter and Three Months Ended March 31, 2022

BOYD GROUP SERVICES INC.

REPORT TO SHAREHOLDERS

To our Shareholders,

During the first quarter of 2022, BGSI recorded sales of $556.8 million, Adjusted EBITDA[1] of $53.8 million and net earnings of $1.6 million.

Total sales in the first quarter of 2022 were $556.8 million, a 32.0% increase when compared to the $421.6 million achieved in the same period of 2021, with same-store sales increasing 14.7% and new locations that were not in operation for the full comparative period generating $74.6 million of incremental sales. During the first quarter of 2022, Boyd experienced strong same-store sales growth in both Canada and the U.S. Demand for Boyd's services continued to substantially exceed capacity in all U.S. markets. During the latter part of the first quarter, Boyd experienced some modest recovery of demand for services in Canada as remaining pandemic restrictions were lifted in most provinces. The ability to service demand continues to be constrained by market conditions, including labor availability in U.S. markets and parts supply chain disruption throughout North America, which impacted sales levels during the first quarter of 2022. Early in the first quarter of 2022, Omicron further negatively impacted capacity with increased levels of absenteeism.

Adjusted EBITDA for the first quarter of 2022 was $53.8 million, or 9.7% of sales, compared with $52.7 million, or 12.5% of sales in the same period of 2021. Adjusted EBITDA in the first quarter of 2021 benefited from the CEWS in the amount of $3.4 million. The $1.0 million increase was primarily the result of increased sales levels from same-store sales growth as well as new location growth. Adjusted EBITDA for the period was impacted by technician capacity, due to the tight labor market and the impact of absenteeism due to Omicron during the first quarter. Market conditions, including wage pressure, a tight labor market and supply chain disruption, are impacting the results that can be achieved in the near-term.

BGSI posted net earnings of $1.6 million in the first quarter of 2022, compared to $7.7 million in the same period of 2021. Impacting net earnings were acquisition and transaction costs and fair value adjustments on contingent consideration. After adjusting for these items, Adjusted net earnings for the first quarter of 2022 was $2.1 million or 0.4% of sales. This compares to Adjusted net earnings of $8.3 million or 2.0% of sales in the same period of 2021. Adjusted net earnings for the period was impacted by the lower gross margin percentage and higher levels of operating expenses. Staffing constraints, wage inflation and supply chain disruption impacted net earnings and Adjusted net earnings during the first quarter of 2022. Adjusted net earnings for the three months ended March 31, 2022 was $0.10 per share, compared to $0.39 per share in the same period of 2021.

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[1] *Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, adjusted for the fair value adjustments related to the non-controlling interest call liability and contingent consideration, as well as acquisition and transaction costs), adjusted net earnings, adjusted net earnings per share and same-store sales are non-GAAP financial measures and ratios and are not recognized measures under International Financial Reporting Standards ("IFRS"). Management believes that in addition to net earnings and cash flows, the supplemental measures of adjusted net earnings and Adjusted EBITDA are useful as they provide investors with an indication of earnings from operations and cash available for distribution, both before and after debt management, productive capacity maintenance and non-recurring and other adjustments. Management believes that, in addition to sales, the supplemental measure of same-store sales is useful as it provides investors with an indication of the increase in sales without accounting for location growth and the impact of fluctuations in exchange rates during the period. Investors should be cautioned, however, that Adjusted EBITDA, adjusted net earnings and adjusted net earnings per share should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of Boyd's performance. Investors should also be cautioned that same-store sales should not be construed as an alternative to sales in accordance with IFRS as an indicator of Boyd's performance. Boyd's method of calculating these measures may differ from other public issuers and, accordingly, may not be comparable to similar measures used by other issuers. For a detailed explanation of how Boyd's non-GAAP financial measures are calculated, please refer to the section titled "Non-GAAP Financial Measures and Ratios" in Boyd's MD&A filing (dated May 11, 2022) for the period ended March 31, 2022, starting on page 9 of this Report. A copy of Boyd's MD&A for the period ended March 31, 2022 can be accessed via the SEDAR Web site (www.sedar.com).*

With respect to the balance sheet, at March 31, 2022, BGSI held total debt, net of cash, of $970.1 million, compared to $957.7 million at December 31, 2021 and $539.9 million at March 31, 2021. Debt, net of cash, increased when compared to prior periods primarily as a result of acquisition activity, which included increased lease liabilities.

Demand for Boyd's services is continuing to substantially exceed capacity, which has resulted in high levels of work-in-process. The ability to service demand continues to be constrained by labor availability in U.S. markets and parts supply chain issues throughout North America, with the accompanying margin pressure continuing into the second quarter of 2022. Thus far in the second quarter of 2022, the Company has experienced an improvement in same-store sales growth relative to the prior quarter.

Building on the success achieved early in 2022, Boyd continues to negotiate an unprecedented number of meaningful pricing increases from clients, which contributed to a modest incremental improvement in gross margin percentage from the fourth quarter of 2021 to the first quarter of 2022, with continuing cost pressure impacting the level of margin improvement experienced thus far. Boyd is experiencing pricing differences between clients, which is a key area of focus in continuing pricing discussions. Until these differences are addressed, continuing wage pressure has an impact on Boyd's near-term ability to meaningfully improve labor margins. In addition, supply chain disruption has continued to impact the completion of many repairs and has resulted in continued growth of work-in-process. As noted in our fiscal 2021 year-end reporting, it takes time for pricing changes to flow through results. Boyd believes that this disruption is transitory and will normalize as the underlying manufacturing and distribution issues are resolved; however, the Company has not experienced improvement in these conditions thus far during 2022.

Boyd is committed to addressing the labor market challenges through initiatives such as the Technician Development Program, including a commitment to more than double the number of trainees in the program to help meet future needs. Boyd continues to increase recruitment support staff to improve lead generation and follow-up, proactively evaluate compensation levels and make appropriate adjustments to ensure the Company remains competitive in the rapidly changing environment, and drive high levels of execution for on-boarding and orientation programs to increase retention.

In the short-term, Boyd is primarily focused on addressing the labor shortage for our core business. There is an urgent need to raise wage rates in order to attract talent to the industry, and client pricing needs to reflect this market change. Notwithstanding near-term challenges, Boyd remains confident in the business model and the Company's plan to double the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales, with same-store sales being a primary driver of growth in the very near-term.

On behalf of myself, the executive team and our Board of Directors, I would like to thank all of our Boyd Group employees for their hard work and dedication during these unprecedented times. And on behalf of the Directors of Boyd Group Services Inc. and Boyd Group employees, thank you for your continued support.

Sincerely,

(signed)

Timothy O'Day
President & Chief Executive Officer

Management’s Discussion & Analysis

OVERVIEW

Boyd Group Services Inc. (“BGSI”), through its operating company, The Boyd Group Inc. and its subsidiaries (“Boyd” or the “Company”), is one of the largest operators of non-franchised collision repair centers in North America in terms of number of locations and sales. The Company currently operates locations in Canada under the trade name Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. The Company is also a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. In addition, the Company operates a third party administrator, Gerber National Claims Services (“GNCS”), that offers glass, emergency roadside and first notice of loss services.

The following is a geographic breakdown of the collision repair locations by trade name and location as at May 10, 2022. In response to the reduction in demand resulting from the COVID-19 pandemic, certain collision repair locations were temporarily converted to intake locations in order to consolidate collision repair services and to reduce Boyd’s operating costs at the temporary intake locations while at the same time maximizing productivity of the staff at the repair locations. All temporary intake locations in the U.S. have been converted back to production facilities. The number of locations and number of intake centers noted in the chart below does not reflect the remaining temporary conversions from production to intake locations in Canada.

			853 locations		
	48 locations				**721 locations**
British Columbia	17	Michigan	74	Louisiana	16
Alberta	14	Illinois	71	Kansas	13
Manitoba	13	Florida	70	Maryland	12
Saskatchewan	4	New York	40	Oregon	12
		Washington	38	Tennessee	12
		Indiana	37	Nevada	10
	84 locations	Georgia	35	Pennsylvania	9
		North Carolina	33	Alabama	7
Ontario	84	Ohio	32	Missouri	7
		Wisconsin	32	Kentucky	4
		Arizona	27	Utah	4
		Oklahoma	27	Hawaii	3
		California	26	Arkansas	2
		Texas	26	Idaho	1
		Colorado	21	Iowa	1
		South Carolina	19		
The above numbers include 34 intake locations.		*The above numbers include 34 intake locations and two fleet locations co-located with collision repair centers.*			

Boyd provides collision repair services to insurance companies, individual vehicle owners, as well as fleet and lease customers, with a high percentage of the Company’s revenue being derived from insurance-paid collision repair services.

BGSI’s shares trade on the Toronto Stock Exchange under the symbol TSX: BYD.TO.

The following review of BGSI's operating and financial results for the period ended March 31, 2022, including material transactions and events of BGSI up to and including May 10, 2022, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2022, as well as the annual audited consolidated financial statements, management discussion & analysis ("MD&A") and annual information form ("AIF") of BGSI, as filed on SEDAR at www.sedar.com.

SIGNIFICANT EVENTS

On January 4, 2022, BGSI announced the completion of the CEO Succession Plan, first announced in August 2019.

On March 17, 2022, the BGSI Board of Directors declared a cash dividend for the first quarter of 2022 of C$0.144 per common share. The dividend was paid on April 27, 2022 to common shareholders of record at the close of business on March 31, 2022.

On March 21, 2022, BGSI proactively entered into an amendment to the Credit Facility to provide additional flexibility to the covenant calculations for the next four quarters.

On March 22, 2022, BGSI published Boyd's inaugural Environmental, Social and Governance Report.

During the first three months of 2022, the Company added eight locations through acquisition and three start-up locations, for a total of 11 new locations. From January 1, 2022 up to the reporting date of May 10, 2022, the Company has added nine locations through acquisition and four start-up locations, for a total of 13 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 3, 2022	Springhill & Thompson's Station, TN (2 locations)	Autobody Advantage
January 5, 2022	Dallas, TX	n/a start-up
January 17, 2022	Indianapolis, IN	n/a start-up
February 1, 2022	Temple, TX	n/a start-up
February 11, 2022	Signal Hill, CA	Alvin's Auto Body Inc.
March 18, 2022	Bossier City & Shreveport, LA (2 locations)	CBS Collision
March 28, 2022	New Smyrna Beach, FL	Bishop's Body Shop
March 31, 2022	Eau Claire and Plover, WI (2 locations)	Plover Collision Repair, Inc. & Eau Claire Collision Repair, Inc.
April 29, 2022	Indian Trail, NC	Haywood's Auto Body
May 6, 2022	Easley, SC	n/a start-up

During the first quarter of 2022, the Company acquired a single location glass business in Minnesota.

OUTLOOK

Demand for Boyd's services is continuing to substantially exceed capacity, which has resulted in high levels of work-in-process. The ability to service demand continues to be constrained by labor availability in U.S. markets and parts supply chain issues throughout North America, with the accompanying margin pressure continuing into the second quarter of 2022. Thus far in the second quarter of 2022, the Company has experienced an improvement in same-store sales growth relative to the prior quarter.

Building on the success achieved early in 2022, Boyd continues to negotiate an unprecedented number of meaningful pricing increases from clients, which contributed to a modest incremental improvement in gross margin percentage from the fourth quarter of 2021 to the first quarter of 2022, with continuing cost pressure impacting the level of margin improvement experienced thus far. Boyd is experiencing pricing differences between clients, which is a key area of focus in continuing pricing discussions. Until these differences are addressed, continuing wage pressure has an impact on Boyd's near-term ability to meaningfully improve labor margins. In addition, supply chain disruption has continued to impact the completion of many repairs and has resulted in continued growth of work-in-process. As noted in our fiscal 2021 year-end reporting, it takes time for pricing changes to flow through results. Boyd believes that this disruption is transitory and will normalize as the underlying manufacturing and distribution issues are resolved; however, the Company has not experienced improvement in these conditions thus far during 2022.

Boyd is committed to addressing the labor market challenges through initiatives such as the Technician Development Program, including a commitment to more than double the number of trainees in the program to help meet future needs. Boyd continues to increase recruitment support staff to improve lead generation and follow-up, proactively evaluate compensation levels and make appropriate adjustments to ensure the Company remains competitive in the rapidly changing environment, and drive high levels of execution for on-boarding and orientation programs to increase retention.

In the short-term, Boyd is primarily focused on addressing the labor shortage for our core business. There is an urgent need to raise wage rates in order to attract talent to the industry, and client pricing needs to reflect this market change. Notwithstanding near-term challenges, Boyd remains confident in the business model and the Company's plan to double the size of the business on a constant currency basis from 2021 to 2025 against 2019 sales, with same-store sales being a primary driver of growth in the very near-term.

In the long-term, management remains confident in its business model and its ability to increase market share by expanding its presence in North America through strategic acquisitions alongside organic growth from Boyd's existing operations. Accretive growth will remain the Company's long-term focus whether it is through organic growth, new store development, or acquisitions. The North American collision repair industry remains highly fragmented and offers attractive opportunities for industry leaders to build value through focused consolidation and economies of scale. As a growth company, Boyd's objective continues to be to maintain a conservative dividend policy that will provide the financial flexibility necessary to support growth initiatives while gradually increasing dividends over time. The Company remains confident in its management team, systems and experience. This, along with a strong financial position and financing options, positions Boyd well for success into the future.

BUSINESS ENVIRONMENT & STRATEGY

As at May 10, 2022, the business environment of the Company and strategies adopted by management remain unchanged from those described in BGSI's 2021 annual MD&A.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

Statements made in this interim report, other than those concerning historical financial information, may be forward-looking and therefore subject to various risks and uncertainties. Some forward-looking statements may be identified by words like "may", "will", "anticipate", "estimate", "expect", "intend", or "continue" or the negative thereof or similar variations. Readers are cautioned not to place undue reliance on such statements, as actual results may differ materially from those expressed or implied in such statements.

The following table outlines forward-looking information included in this MD&A:

Forward-looking Information	Key Assumptions	Most Relevant Risk Factors
The stated objective of generating growth sufficient to double the size of the business over the five year period from 2021 to 2025, based on 2019 revenues	Timing of anticipated return to pre-COVID levels of activity occurs in the short term Opportunities continue to be available and are at acceptable and accretive prices Financing options continue to be available at reasonable rates and on acceptable terms and conditions New and existing customer relationships are expected to provide acceptable levels of revenue opportunities Anticipated operating results would be accretive to overall Company results Growth is defined as revenue on a constant currency basis Initiatives to increase production capacity are successful Supply chain disruption is temporary and normalizes in the short term	Return to pre-COVID levels of activity may occur on a different timeline Acquisition market conditions change and repair shop owner demographic trends change Credit and refinancing conditions prevent or restrict the ability of the Company to continue growth strategies Changes in market conditions and operating environment Significant decline in the number of insurance claims Integration of new stores is not accomplished as planned Increased competition which prevents achievement of acquisition and revenue goals Initiatives to increase production capacity take longer than expected or are not successful Supply chain remains disrupted and the ability to source parts continues to limit sales
Boyd remains confident in its business model to increase market share by expanding its presence in North America through strategic and accretive acquisitions alongside organic growth from Boyd's existing operations	Re-emergence of stability in economic conditions and employment rates New and existing customer relationships are expected to provide acceptable levels of revenue opportunities The Company's customer and supplier relationships provide it with competitive advantages to increase sales over time Market share growth will more than offset systemic changes in the industry and environment Anticipated operating results would be accretive to overall Company results	Economic conditions deteriorate, or economic recovery post-COVID-19 is slow Loss of one or more key customers or loss of significant volume from any customer Decline in the number of insurance claims Inability of the Company to pass cost increases to customers over time Increased competition which may prevent achievement of revenue goals Changes in market conditions and operating environment Changes in weather conditions Inability to maintain, replace or grow technician capacity could impact organic growth

Stated objective to gradually increase dividends over time	Growing profitability of the Company and its subsidiaries The continued and increasing ability of the Company to generate cash available for dividends Balance sheet strength and flexibility is maintained and the dividend level is manageable taking into consideration bank covenants, growth requirements and maintaining a dividend level that is supportable over time	BGSI is dependent upon the operating results of the Company Economic conditions deteriorate, or economic recovery post-COVID-19 is slow Changes in weather conditions Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in government regulation
The Company plans to make capital expenditures (excluding those related to acquisition and development of new locations) of approximately 1.6% of sales.	The actual cost for these capital expenditures agrees with the original estimate The purchase, delivery and installation of the capital items is consistent with the estimated timeline No other new capital requirements are identified or required during the period All identified capital requirements are required during the period	Expected actual expenditures could be above or below 1.6% of sales The timing of the expenditures could occur on a different timeline BGSI may identify additional capital expenditure needs that were not originally anticipated BGSI may identify capital expenditure needs that were originally anticipated; however, are no longer required or required on a different timeline
Boyd believes that margins will return to historical levels, however this may take several quarters.	Price increases will be negotiated and agreed upon by key clients Demand for services will continue to grow, allowing Boyd to focus on higher margin business Wage inflation will return to historical levels and will not outpace pricing increases Supply chain disruption is transitory and will normalize as underlying issues are resolved Internal training and development programs, including the Technician Development Program, will improve staffing availability	Inability of the Company to pass cost increases to customers over time Decline in the number of insurance claims Loss of one or more key customers or loss of significant volume from any customer Changes in market conditions and operating environment Wage inflation continues in excess of historical levels and outpaces pricing increases Supply chain remains disrupted Internal training and development programs do not improve staffing availability

We caution that the foregoing table contains what BGSI believes are the material forward-looking statements and is not exhaustive. Therefore when relying on forward-looking statements, investors and others should refer to the "Risk Factors" section of BGSI's Annual Information Form, the "Business Risks and Uncertainties" and other sections of our Management's Discussion and Analysis and our other periodic filings with Canadian securities regulatory authorities. All forward-looking statements presented herein should be considered in conjunction with such filings.

NON-GAAP FINANCIAL MEASURES AND RATIOS

EBITDA AND ADJUSTED EBITDA

Earnings before interest, taxes, depreciation and amortization ("EBITDA") is not a calculation defined in International Financial Reporting Standards ("IFRS"). EBITDA should not be considered an alternative to net earnings in measuring the performance of BGSI, nor should it be used as an exclusive measure of cash flow. BGSI reports EBITDA and Adjusted EBITDA because they are key measures that management uses to evaluate performance of the business and to reward its employees. EBITDA is also a concept utilized in measuring compliance with debt covenants. EBITDA and Adjusted EBITDA are measures commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. While EBITDA is used to assist in evaluating the operating performance and debt servicing ability of BGSI, investors are cautioned that EBITDA and Adjusted EBITDA as reported by BGSI may not be comparable in all instances to EBITDA as reported by other companies.

CPA Canada's Canadian Performance Reporting Board defined Standardized EBITDA to foster comparability of the measure between entities. Standardized EBITDA represents an indication of an entity's capacity to generate income from operations before taking into account management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and management's estimate of their useful life. Accordingly, Standardized EBITDA comprises sales less operating expenses before finance costs, capital asset amortization and impairment charges, and income taxes. Adjusted EBITDA is calculated to exclude items of an unusual nature that do not reflect normal or ongoing operations of BGSI and which should not be considered in a valuation metric or should not be included in an assessment of the ability to service or incur debt. Also included as an adjustment to EBITDA are acquisition and transaction costs and fair value adjustments to contingent consideration, which do not relate to the current operating performance of the business units but are typically costs incurred to expand operations. From time to time BGSI may make other adjustments to its Adjusted EBITDA for items that are not expected to recur.

The following is a reconciliation of BGSI's net earnings to Standardized EBITDA and Adjusted EBITDA:

ADJUSTED EBITDA

	Three months ended March 31,	
(thousands of U.S. dollars)	**2022**	2021
Net earnings	**$ 1,608**	$ 7,743
Add:		
Finance costs	**8,313**	6,732
Income tax expense	**420**	2,769
Depreciation of property, plant and equipment	**11,523**	9,559
Depreciation of right of use assets	**24,143**	20,112
Amortization of intangible assets	**7,080**	5,065
Standardized EBITDA	**$ 53,087**	$ 51,980
Add:		
Fair value adjustments	**146**	—
Acquisition and transaction costs	**529**	768
Adjusted EBITDA	**$ 53,762**	$ 52,748

ADJUSTED NET EARNINGS

In addition to Standardized EBITDA and Adjusted EBITDA, BGSI believes that certain users of financial statements are interested in understanding net earnings excluding certain fair value adjustments and other items of an unusual or infrequent nature that do not reflect normal or ongoing operations of the Company. This can assist these users in comparing current results to historical results that did not include such items. The following is a reconciliation of BGSI's net earnings to adjusted net earnings:

(thousands of U.S. dollars, except share and per share amounts)	**Three months ended March 31,**	
	2022	2021
Net earnings	**$ 1,608**	$ 7,743
Add:		
Fair value adjustments (non-taxable)	**146**	—
Acquisition and transaction costs (net of tax)	**391**	568
Adjusted net earnings	**$ 2,145**	$ 8,311
Weighted average number of shares	**21,472,194**	21,472,194
Adjusted net earnings per share	**$ 0.10**	$ 0.39

SAME-STORE SALES

Same-store sales is a measure of sales that includes only those locations in operation for the full comparative period. Same-store sales is presented excluding the impact of foreign exchange on the current period. Same-store sales is calculated by applying the prior period exchange rate to the current year sales. The following is a reconciliation of BGSI's sales to same-store sales:

	Three months ended March 31,	
(thousands of U.S. dollars)	**2022**	2021
Sales	**$ 556,755**	$ 421,643
Less:		
Sales from locations not in the comparative period	**(75,807)**	(1,234)
Sales from under-performing facilities closed during the period	**—**	(1,283)
Foreign exchange	**(88)**	—
Same-store sales (excluding foreign exchange)	**$ 480,860**	$ 419,126

Dividends

BGSI declared dividends of C$0.144 per share in the first quarter of 2022 (2021 - C$0.141).

Dividends to shareholders of BGSI were declared and paid as follows:

(thousands of U.S. dollars)			
Record date	**Payment date**		**Dividend amount**
March 31, 2022	April 27, 2022	**$**	**2,441**
		$	**2,441**

(thousands of U.S. dollars)			
Record date	**Payment date**		**Dividend amount**
March 31, 2021	April 28, 2021	$	2,408
		$	2,408

RESULTS OF OPERATIONS

Results of Operations			
(thousands of U.S. dollars, except per share amounts)			
	Three months ended March 31,		
	2022	% change	2021
Sales - Total	**556,755**	32.0	421,643
Same-store sales - Total (excluding foreign exchange)	**480,860**	14.7	419,126
Gross margin %	**44.1**	(4.1)	46.0
Operating expense %	**34.4**	2.7	33.5
Adjusted EBITDA [(1)]	**53,762**	1.9	52,748
Acquisition and transaction costs	**529**	(31.1)	768
Depreciation and amortization	**42,746**	23.1	34,736
Fair value adjustments	**146**	N/A	—
Finance costs	**8,313**	23.5	6,732
Income tax expense	**420**	(84.8)	2,769
Adjusted net earnings [(1)]	**2,145**	(74.2)	8,311
Adjusted net earnings per share [(1)]	**0.10**	(74.4)	0.39
Net earnings	**1,608**	(79.2)	7,743
Basic earnings per share	**0.07**	(80.6)	0.36
Diluted earnings per share	**0.07**	(80.6)	0.36

[(1)] As defined in the non- GAAP financial measures and ratios section of the MD&A.

1st Quarter Comparison - Three months ended March 31, 2022 vs. 2021

Sales

Sales totaled $556.8 million for the three months ended March 31, 2022, an increase of $135.1 million or 32.0% when compared to the same period of 2021. The increase in sales was the result of the following:

- Same-store sales[1] excluding foreign exchange increased $61.7 million or 14.7% and increased $0.1 million due to the translation of same-store sales at a higher Canadian dollar exchange rate. The first quarter of 2022 recognized one additional selling and production day when compared to the same period of the prior year, which increased selling and production capacity by approximately 1.6%. Same-store sales growth was the result of pricing increases and high levels of demand for services, although ongoing staffing constraints and supply chain disruption impacted sales levels that could be achieved during the first quarter of 2022. Early in the first quarter of 2022, Omicron further negatively impacted capacity with increased levels of absenteeism. Same-store sales increases in Canada continued to recover, but this recovery has also been significantly impacted by supply chain disruption.
- $74.6 million of incremental sales were generated from 119 new locations that were not in operation for the full comparative period.
- Sales were affected by the closure of under-performing facilities which decreased sales by $1.3 million.

Same-store sales are calculated by including sales for locations and businesses that have been in operation for the full comparative period.

Gross Profit

Gross Profit was $245.4 million or 44.1% of sales for the three months ended March 31, 2022, compared to $194.0 million or 46.0% of sales for the same period in 2021. Gross profit increased primarily as a result of increased sales due to same-store sales and location growth when compared to the prior period. The prior period included the recognition of the Canada Emergency Wage Subsidy (“CEWS”) of approximately $1.5 million. The gross margin percentage was negatively impacted by reduced parts and labor margins, as well as a higher mix of parts sales in relation to labor. During the first quarter of 2022, Boyd continued to face supply chain disruptions, which resulted in a negative impact on margins as a higher percentage of parts were sourced from non-primary suppliers in order to complete repairs, and the mix of OE parts relative to alternative parts increased. While pricing increases began to flow through results in the first quarter of 2022, which resulted in a modest incremental improvement in gross margin from the fourth quarter of 2021 to the first quarter of 2022, labor margins were negatively impacted by the extraordinarily tight labor market, which continued to result in increased wage costs to both retain and recruit staff. The shortage of labor also resulted in a higher mix of parts sales in relation to labor.

Operating Expenses

Operating Expenses for the three months ended March 31, 2022 increased $50.4 million to $191.6 million from $141.2 million for the same period of 2021. The increase in operating expenses was primarily the result of growth in number of locations, as well as same-store sales growth. The prior period included the recognition of the CEWS of approximately $1.9 million. Operating expenses were negatively impacted by the extraordinarily tight labor market, which resulted in increased wage and benefit costs to both retain and recruit staff. Also impacting the first quarter of 2022 were inflationary increases, as well as increased support costs related to the expansion of the Wow Operating Way practices to corporate business processes. Closed locations lowered operating expenses by $0.6 million.

Operating expenses as a percentage of sales were 34.4% for the three months ended March 31, 2022, which compared to 33.5% for the same period in 2021. The increase as a percentage of sales was due to capacity constraints and supply chain disruptions, which impacted the sales level that could be achieved during the first quarter of 2022. Operating expenses as a percentage of sales was also impacted by wage and other inflationary increases, as well as support costs related to the expansion of the Wow Operating Way practices to corporate business processes.

[1] As defined in the non-GAAP financial measures and ratios section of the MD&A

Acquisition and Transaction Costs

Acquisition and Transaction Costs for the three months ended March 31, 2022 were $0.5 million compared to $0.8 million recorded for the same period of 2021. The costs relate to various acquisitions, including acquisitions from prior periods, as well as other completed or potential acquisitions.

Adjusted EBITDA

Earnings before interest, income taxes, depreciation and amortization, adjusted for contingent consideration, as well as acquisition and transaction costs ("Adjusted EBITDA")[2] for the three months ended March 31, 2022 totaled $53.8 million or 9.7% of sales compared to Adjusted EBITDA of $52.7 million or 12.5% of sales in the same period of the prior year. Adjusted EBITDA in the first quarter of 2021 included the recognition of the CEWS of approximately $3.4 million. The $1.0 million increase was primarily the result of increased sales levels from same-store sales growth as well as new location growth. Adjusted EBITDA for the period was impacted by technician capacity, due to the tight labor market and the impact of absenteeism due to Omicron during the first quarter. Market conditions, including wage pressure, a tight labor market and supply chain disruption, are impacting the results that can be achieved in the near-term.

Depreciation and Amortization

Depreciation related to property, plant and equipment totaled $11.5 million or 2.1% of sales for the three months ended March 31, 2022, an increase of $2.0 million when compared to the $9.6 million or 2.3% of sales recorded in the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth as well as investments in capital equipment.

Depreciation related to right of use assets totaled $24.1 million, or 4.3% of sales for the three months ended March 31, 2022, as compared to $20.1 million or 4.8% of sales for the same period of the prior year. The increase in depreciation expense was primarily due to acquisition growth.

Amortization of intangible assets for the three months ended March 31, 2022 totaled $7.1 million or 1.3% of sales, an increase of $2.0 million when compared to the $5.1 million or 1.2% of sales expensed for the same period in the prior year. The increase is primarily the result of the addition of new intangible assets from acquisition growth.

Finance Costs

Finance Costs of $8.3 million or 1.5% of sales for the three months ended March 31, 2022 increased from $6.7 million or 1.6% of sales for the same period of the prior year. The increase in finance costs was primarily due to increased borrowing under the credit facility, as well as increased lease liabilities, as a result of acquisition activity.

Income Taxes

Current and Deferred Income Tax Expense of $0.4 million for the three months ended March 31, 2022 compared to an income tax expense of $2.8 million for the same period of the prior year. Income tax expense has not been impacted by significant permanent differences in the current or prior period.

Net Earnings and Earnings Per Share

Net Earnings for the three months ended March 31, 2022 was $1.6 million or 0.3% of sales compared to net earnings of $7.7 million or 1.8% of sales in the same period of the prior year. The net earnings amount in 2022 was impacted by fair value adjustments to financial instruments of $0.1 million, as well as acquisition and transaction costs of $0.4 million (net of tax).

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[2] As defined in the non-GAAP financial measures and ratios section of the MD&A.

Adjusted net earnings[3] for the first quarter of 2022 was $2.1 million, or 0.4% of sales. This compares to Adjusted net earnings of $8.3 million or 2.0% of sales in the same period of 2021. Adjusted net earnings for the period was impacted by the lower gross margin percentage and higher levels of operating expenses as well as location growth. Staffing constraints, wage inflation and supply chain disruption, impacted net earnings and Adjusted net earnings during the first quarter of 2022, with Omicron further negatively impacting capacity with increased levels of absenteeism.

Basic and Diluted Earnings Per Share was $0.07 per share for the three months ended March 31, 2022 compared to $0.36 for the first quarter of 2021. Adjusted net earnings per share was $0.10 compared to $0.39 for the first quarter of 2021. The decrease in adjusted net earnings per share is primarily attributed to the lower gross margin percentage and higher levels of operating expenses as well the impact of location growth.

Summary of Quarterly Results *(in thousands of U.S. dollars, except per share amounts)*	**2022 Q1**	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2
Sales	**$ 556,755**	$ 516,206	$ 490,178	$ 444,643	$ 421,643	$ 403,747	$ 381,689	$ 307,951
Adjusted EBITDA (1)	**$ 53,762**	$ 57,300	$ 51,500	$ 57,996	$ 52,748	$ 60,394	$ 63,514	$ 35,637
Net earnings (loss)	**$ 1,608**	$ 4,901	$ 434	$ 10,462	$ 7,743	$ 16,253	$ 15,855	$ (4,970)
Basic earnings (loss) per share	**$ 0.07**	$ 0.23	$ 0.02	$ 0.49	$ 0.36	$ 0.76	$ 0.74	$ (0.24)
Diluted earnings (loss) per share	**$ 0.07**	$ 0.23	$ 0.02	$ 0.49	$ 0.36	$ 0.76	$ 0.74	$ (0.24)
Adjusted net earnings (loss) (1)	**$ 2,145**	$ 5,930	$ 2,389	$ 11,375	$ 8,311	$ 14,569	$ 16,403	$ (4,841)
Adjusted net earnings (loss) per share (1)	**$ 0.10**	$ 0.28	$ 0.11	$ 0.53	$ 0.39	$ 0.68	$ 0.76	$ (0.23)

(1) As defined in the non-GAAP financial measures and ratios section of the MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Cash flow from operations, together with cash on hand and undrawn credit on existing facilities are expected to be sufficient to meet operating requirements, capital expenditures and dividends. At March 31, 2022, BGSI had cash, net of outstanding deposits and cheques, held on deposit in bank accounts totaling $44.3 million (December 31, 2021 - $27.7 million). The net working capital ratio (current assets divided by current liabilities) was 0.68:1 at March 31, 2022 (December 31, 2021 – 0.64:1).

At March 31, 2022, BGSI had total debt outstanding, net of cash, of $970.1 million compared to $957.7 million at December 31, 2021, $896.9 million at September 30, 2021, $671.1 million at June 30, 2021 and $539.9 million at March 31, 2021. Debt, net of cash, increased when compared to prior periods primarily as a result of acquisition activity, which resulted in increased lease liabilities.

3 As defined in the non-GAAP financial measures and ratios section of the MD&A.

Total debt, net of cash *(thousands of U.S. dollars)*	**March 31, 2022**	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Revolving credit facility & swing line (net of financing costs)	**$ 255,839**	$ 263,802	$ 204,250	$ 54,173	$ —
Term Loan A (net of financing costs)	**124,691**	124,680	124,667	124,641	123,760
Seller notes [(1)]	**50,556**	53,591	56,168	59,452	54,580
Total debt before lease liabilities	**$ 431,086**	$ 442,073	$ 385,085	$ 238,266	$ 178,340
Cash	**44,275**	27,714	31,228	35,612	61,477
Total debt, net of cash before lease liabilities	**$ 386,811**	$ 414,359	$ 353,857	$ 202,654	$ 116,863
Lease liabilities	**583,264**	543,347	543,046	468,474	423,001
Total debt, net of cash	**$ 970,075**	$ 957,706	$ 896,903	$ 671,128	$ 539,864

(1) Seller notes are loans granted to the Company by the sellers of businesses related to the acquisition of those businesses.

Operating Activities

Cash flow generated from operations, before considering working capital changes, was $51.9 million for the three months ended March 31, 2022 compared to $50.7 million in the same period of 2021.

In the first quarter of 2022, changes in working capital items provided net cash of $8.3 million compared with $12.6 million in the same period of 2021. Increases and decreases in accounts receivable, inventory, prepaid expenses, income taxes, accounts payable and accrued liabilities are significantly influenced by timing of collections and expenditures.

Financing Activities

Cash used in financing activities totaled $45.8 million for the three months ended March 31, 2022 compared to cash used in financing activities of $30.6 million during the same period of the prior year. During the first quarter of 2022, cash was provided by draws of the revolving credit facility and swing line, primarily to fund acquisition activity, in the amount of $37.0 million, offset by cash used to repay draws as well as long-term debt associated with seller notes in the amount of $48.3 million and to fund interest costs on long-term debt of $3.3 million. Cash used by financing activities included $23.2 million in repayments of lease liabilities and cash used to fund interest costs on lease liabilities of $5.0 million. Cash was also used to pay dividends of $2.5 million. The Company amended the revolving credit facility, resulting in the payment of $0.5 million of financing costs. During the first quarter of 2021, cash was used to repay draws as well as long-term debt associated with seller notes in the amount of $2.5 million and cash used to fund interest costs on long-term debt of $2.3 million. Cash used by financing activities included $19.2 million used to repay lease liabilities and cash used to fund interest costs on lease liabilities of $4.2 million. Cash was also used to pay dividends totaling $2.4 million.

Debt Financing

The Company has a revolving credit facility of $550 million, with an accordion feature which can increase the facility to a maximum of $825 million (the "revolving credit facility", or the "facility"). The revolving credit facility is accompanied by a seven-year fixed-rate Term Loan A in the amount of $125 million at an interest rate of 3.455%. The revolving credit facility is with a syndicate of Canadian and U.S. banks and is secured by the shares and assets of the Company as well as guarantees by BGSI and subsidiaries, while Term Loan A is with one of the syndicated banks. The interest rate for draws on the revolving credit facility are based on a pricing grid of BGSI's ratio of total funded debt to EBITDA as determined under the credit agreement. The Company can draw the facility in either the U.S. or in Canada, in either U.S. or Canadian dollars. The Company can make draws in tranches as required. Tranches bear interest only and are not repayable until the maturity date but can be voluntarily repaid at any time. The Company has the ability to choose the base interest rate between Prime, Bankers Acceptances ("BA"), U.S. Prime or London Inter Bank Offer Rate ("LIBOR") until it is decommissioned and allowing for the use of the Secured Overnight Financing Rate ("SOFR") at the Company's election. The total syndicated facility includes a swing line up to a maximum of $10.0 million in Canada and $30.0 million in the U.S. At March 31, 2022, the Company has drawn $257.0 million U.S. (December 31, 2021 - $264.5 U.S.) and $nil Canadian (December 31, 2021 - $nil) on the revolving credit facility, $125.0 million U.S. (December 31, 2021 - $125.0 million) on the Term Loan A and $nil U.S. (December 31, 2021 - $nil) on the swing line.

Under the revolving credit facility, the Company is subject to certain financial covenants which must be maintained to avoid acceleration of the termination of the credit agreement. The financial covenants require BGSI to maintain a senior funded debt to EBITDA ratio of less than 3.50 and an interest coverage ratio of greater than 2.75. For four quarters following a material acquisition, the senior funded debt to EBITDA ratio may be increased to less than 4.00. For purposes of covenant calculations, property lease payments are deducted from EBITDA.

On March 21, 2022, the Company amended the credit agreement to provide for a covenant flex period from January 1, 2022 to March 30, 2023 and to provide for revisions to interest rates, allowing for the use of LIBOR until it is decommissioned and allowing for the use of the Secured Overnight Financing Rate ("SOFR") at the Company's election. During the covenant flex period, the financial covenants require BGSI to maintain a senior funded debt to EBITDA ratio of less than 4.00 from March 21, 2022 to March 30, 2022, less than 4.50 from March 31, 2022 to September 29, 2022, less than 4.25 from September 30, 2022 to December 30, 2022 and less than 4.00 from December 31, 2022 to March 30, 2023. For four quarters following a material acquisition during the covenant flex period, the senior funded debt to EBITDA ratio may be increased by up to 0.50, never exceeding 4.50.

The Company supplements its debt financing by negotiating with sellers in certain acquisitions to provide financing to the Company in the form of term notes. The notes payable to sellers are typically at favorable interest rates and for terms of one to 15 years. This source of financing is another means of supporting BGSI's growth, at a relatively low cost. During the first quarter of 2022, BGSI entered into three new seller notes for $0.8 million.

Shareholders' Capital

During the first quarter of 2021, the Company instituted a stock option plan for senior management, which was approved by shareholders on May 12, 2021. The Company's stock option plan allows for the granting of options up to an amount of 250,000 Common shares under this plan. Each tranche of the options vests equally over two, three, four and five year periods. The term of an option shall be determined and approved by the People, Culture and Compensation Committee; provided that the term shall be no longer than ten years from the grant date.

On March 31, 2021 the Company issued 13,831 options under the stock option plan with a grant date fair value of C$56.99 per option and an exercise price of C$219.21 per option. On March 31, 2022, the Company issued an additional 18,878 options under the stock option plan with a grant date fair value of C$47.08 per option and an exercise price of C$164.68 per option. None of the options are exercisable at period end. Issue costs of $105 were incurred during 2021 with respect to the stock option plan.

Investing Activities

Cash from investing activities totaled $1.9 million for the three months ended March 31, 2022. This compares to $32.6 million used in the same period of the prior year. During the first quarter of 2022, the Company completed sale leaseback transactions for proceeds of $29.8 million. The increase in start-up locations resulted in a build up of real estate assets. The Company's strategy has been to not hold real estate. The sale leaseback transactions allowed the Company to replenish capital while continuing to use these properties. The remaining investing activity in both periods related primarily to new location growth that occurred during these periods.

Acquisitions and Development of Businesses

During the first three months of 2022, the Company added eight locations through acquisition and three start-up locations, for a total of 11 new locations. From January 1, 2022 up to the reporting date of May 10, 2022, the Company has added nine locations through acquisition and four start-up locations, for a total of 13 new locations. These new locations are as follows:

Date	Location	Previously operated as
January 3, 2022	Springhill & Thompson's Station, TN (2 locations)	Autobody Advantage
January 5, 2022	Dallas, TX	n/a start-up
January 17, 2022	Indianapolis, IN	n/a start-up
February 1, 2022	Temple, TX	n/a start-up
February 11, 2022	Signal Hill, CA	Alvin's Auto Body Inc.
March 18, 2022	Bossier City & Shreveport, LA (2 locations)	CBS Collision
March 28, 2022	New Smyrna Beach, FL	Bishop's Body Shop
March 31, 2022	Eau Claire and Plover, WI (2 locations)	Plover Collision Repair, Inc. & Eau Claire Collision Repair, Inc.
April 29, 2022	Indian Trail, NC	Haywood's Auto Body
May 6, 2022	Easley, SC	n/a start-up

During the first quarter of 2022, the Company acquired a single location glass business in Minnesota.

The Company completed the acquisition or start-up of 35 new locations from the beginning of 2021 until the first quarter reporting date of May 11, 2021.

Capital Expenditures

Although most of Boyd's repair facilities are leased, funds are required to ensure facilities are properly repaired and maintained to ensure the Company's physical appearance communicates Boyd's standard of professional service and quality. The Company's need to maintain its facilities and upgrade or replace equipment to meet increased complexity of newer vehicles, signage, computers, software and vehicles forms part of the annual cash requirements of the business. The Company manages these expenditures by annually reviewing and determining its capital budget needs and then authorizing major expenditures throughout the year based upon individual business cases. Excluding expenditures related to acquisition and development, the Company spent approximately $6.4 million or 1.2% of sales on capital expenditures during the first quarter of 2022. The Company spent $8.6 million or 2.0% of sales during the same period of 2021.

During 2022, the Company plans to make cash capital expenditures, excluding those related to acquisition and development of new locations, of approximately 1.6% of sales.

LEGAL PROCEEDINGS

Neither BGSI, nor any of its subsidiaries are involved in any legal proceedings which are material in any respect.

RELATED PARTY TRANSACTIONS

Boyd has not entered into any new related party transactions beyond the items disclosed in the 2021 annual report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements that present fairly the financial position, financial condition and results of operations requires that BGSI make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the balance sheet date and reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

The critical accounting estimates are substantially unchanged from those identified in the 2021 annual MD&A.

INTERNAL CONTROL OVER FINANCIAL REPORTING

BGSI's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. During the first quarter of 2022, there have been no changes in BGSI's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, BGSI's internal control over financial reporting.

BUSINESS RISKS AND UNCERTAINTIES

Risks and uncertainties affecting the business remain substantially unchanged from those identified in the 2021 annual MD&A.

ADDITIONAL INFORMATION

BGSI's shares trade on the Toronto Stock Exchange under the symbol TSX: BYD.TO. Additional information relating to the BGSI is available on SEDAR (www.sedar.com) and the Company website (www.boydgroup.com).

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Timothy O'Day, Chief Executive Officer, Boyd Group Services Inc.**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and MD&A (together, the "interim filings") of **Boyd Group Services Inc.** (the "issuer") for the interim period ended **March 31, 2022**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end
   a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
      i. material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
      ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
   b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2022 and ended on March 31, 2022 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 11, 2022

(signed)

Timothy O'Day
President & Chief Executive Officer

FORM 52-109F2
CERTIFICATION OF INTERIM FILINGS
FULL CERTIFICATE

I, **Narendra Pathipati, Chief Financial Officer, Boyd Group Services Inc.**, certify the following:

1. ***Review:*** I have reviewed the interim financial report and MD&A (together, the "interim filings") of **Boyd Group Services Inc.** (the "issuer") for the interim period ended **March 31, 2022**.
2. ***No misrepresentations:*** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, for the period covered by the interim filings
3. ***Fair presentation:*** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.
4. ***Responsibility:*** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, for the issuer.
5. ***Design:*** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the financial year end
   a. designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that
      i. material information relating to the issuer is made known to us by others, particularly during the period in which the annual filings are being prepared; and
      ii. information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
   b. designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 ***Control framework:*** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Internal Control – Integrated Framework (COSO 2013 Framework), published by The Committee of Sponsoring Organizations of the Treadway Commission.

5.2 ***ICFR – material weakness relating to design:*** N/A

5.3 ***Limitation on scope of design:*** N/A

6. ***Reporting changes in ICFR:*** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2022 and ended on March 31, 2022 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Date: May 11, 2022

(signed)

Narendra Pathipati
Executive Vice President & Chief Financial Officer

BOYD GROUP SERVICES INC.

Interim Condensed Consolidated Financial Statements

Three Months Ended March 31, 2022

<u>Notice:</u> These interim condensed consolidated financial statements have not been audited or reviewed by BGSI's independent external auditors, Deloitte LLP.

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (Unaudited)
(thousands of U.S. dollars)

	Note	March 31, 2022	December 31, 2021
Assets			
Current assets:			
Cash		**$ 44,275**	$ 27,714
Accounts receivable		**110,077**	103,024
Income taxes recoverable		**7,578**	7,576
Inventory	*5*	**76,401**	66,784
Prepaid expenses		**28,053**	29,554
		266,384	234,652
Property, plant and equipment	*6*	**311,950**	332,189
Right of use assets	*7*	**539,707**	502,036
Deferred income tax asset		**2,667**	1,737
Intangible assets	*8*	**348,535**	348,727
Goodwill	*9*	**605,611**	601,991
Other long-term assets		**6,682**	5,795
		$ 2,081,536	$ 2,027,127
Liabilities and Equity			
Current liabilities:			
Accounts payable and accrued liabilities		**$ 281,585**	$ 258,423
Dividends payable	*10*	**2,474**	2,439
Current portion of long-term debt	*11*	**13,910**	13,887
Current portion of lease liabilities	*12*	**94,861**	92,924
		392,830	367,673
Long-term debt	*11*	**417,176**	428,186
Lease liabilities	*12*	**488,403**	450,423
Deferred income tax liability		**49,133**	48,602
Unearned rebates		**5,655**	5,809
		1,353,197	1,300,693
Equity			
Accumulated other comprehensive earnings		**68,675**	65,987
Retained earnings		**55,887**	56,720
Shareholders' capital		**600,047**	600,047
Contributed surplus		**3,730**	3,680
		728,339	726,434
		$ 2,081,536	$ 2,027,127

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Approved by the Board:

TIMOTHY O'DAY
Director

DAVID BROWN
Director

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
(thousands of U.S. dollars, except share amounts)

		Shareholders' Capital										
	Note	Shares		Amount		Contributed Surplus		Accumulated Other Comprehensive Earnings		Retained Earnings		Total Equity
Balances - January 1, 2021		21,472,194	$	600,047	$	3,604	$	65,157	$	42,872	$	711,680
Issue costs (net of tax of $29)						(76)						(76)
Stock option accretion						152						152
Other comprehensive earnings								830				830
Net earnings										23,540		23,540
Comprehensive earnings								830		23,540		24,370
Dividends to shareholders										(9,692)		(9,692)
Balances - December 31, 2021		21,472,194	$	600,047	$	3,680	$	65,987	$	56,720	$	726,434
Stock option accretion						50						50
Other comprehensive earnings								2,688				2,688
Net earnings										1,608		1,608
Comprehensive earnings								2,688		1,608		4,296
Dividends to shareholders	10									(2,441)		(2,441)
Balances - March 31, 2022		21,472,194	$	600,047	$	3,730	$	68,675	$	55,887	$	728,339
Balances - January 1, 2021		21,472,194	$	600,047	$	3,604	$	65,157	$	42,872	$	711,680
Other comprehensive earnings								2,239				2,239
Net earnings										7,743		7,743
Comprehensive earnings								2,239		7,743		9,982
Dividends to shareholders	10									(2,408)		(2,408)
Balances - March 31, 2021		21,472,194	$	600,047	$	3,604	$	67,396	$	48,207	$	719,254

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF STATEMENTS OF EARNINGS (Unaudited)
(thousands of U.S. dollars, except share and per share amounts)

		Three months ended March 31,	
		2022	2021
	Note		
Sales	*15*	**$ 556,755**	$ 421,643
Cost of sales		**311,383**	227,686
Gross profit		**245,372**	193,957
Operating expenses		**191,610**	141,209
Acquisition and transaction costs		**529**	768
Depreciation of property, plant and equipment	*6*	**11,523**	9,559
Depreciation of right of use assets	*7*	**24,143**	20,112
Amortization of intangible assets	*8*	**7,080**	5,065
Fair value adjustments		**146**	—
Finance costs		**8,313**	6,732
		243,344	183,445
Earnings before income taxes		**2,028**	10,512
Income tax expense (recovery)			
Current		**782**	939
Deferred		**(362)**	1,830
		420	2,769
Net earnings		**$ 1,608**	$ 7,743

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Basic earnings per share	*16*	**$ 0.07**	$ 0.36
Diluted earnings per share	*16*	**$ 0.07**	$ 0.36
Basic weighted average number of shares outstanding	*16*	**21,472,194**	21,472,194
Diluted weighted average number of shares outstanding	*16*	**21,472,194**	21,472,518

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS (Unaudited)
(thousands of U.S. dollars)

	Three months ended March 31,	
	2022	2021
Net earnings	**$ 1,608**	$ 7,743
Other comprehensive earnings		
Items that may be reclassified subsequently to Interim Condensed Consolidated Statements of Earnings		
Change in unrealized earnings on foreign currency translation	**2,688**	2,239
Other comprehensive earnings	**2,688**	2,239
Comprehensive earnings	**$ 4,296**	$ 9,982

The accompanying notes are an integral part of these interim condensed consolidated financial statements

BOYD GROUP SERVICES INC.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(thousands of U.S. dollars)

	Note	Three months ended March 31, 2022	2021
Cash flows from operating activities			
Net earnings		**$ 1,608**	$ 7,743
Adjustments for			
Fair value adjustments		**146**	—
Deferred income taxes		**(362)**	1,830
Finance costs		**8,313**	6,732
Amortization of intangible assets	*8*	**7,080**	5,065
Depreciation of property, plant and equipment	*6*	**11,523**	9,559
Depreciation of right of use assets	*7*	**24,143**	20,112
Other		**(531)**	(363)
		51,920	50,678
Changes in non-cash working capital items		**8,317**	12,585
		60,237	63,263
Cash flows used in financing activities			
Increase in obligations under long-term debt	*11*	**37,000**	—
Repayment of long-term debt, principal	*11*	**(48,346)**	(2,456)
Repayment of obligations under property leases, principal		**(22,508)**	(18,707)
Repayment of obligations under vehicle and equipment leases, principal		**(668)**	(510)
Interest on long-term debt	*11*	**(3,337)**	(2,332)
Interest on property leases		**(4,895)**	(4,097)
Interest on vehicle and equipment leases		**(83)**	(77)
Dividends paid		**(2,451)**	(2,379)
Payment of financing costs	*11*	**(514)**	—
		(45,802)	(30,558)
Cash flows from (used in) investing activities			
Proceeds on sale of equipment and software	*6*	**1,367**	212
Equipment purchases and facility improvements		**(6,403)**	(6,667)
Acquisition and development of businesses (net of cash acquired)	*4*	**(21,966)**	(24,080)
Software purchases and licensing	*8*	**(26)**	(1,933)
Increase in other long-term assets		**(842)**	(91)
Proceeds on sale / leaseback agreements	*6*	**29,773**	—
		1,903	(32,559)
Effect of foreign exchange rate changes on cash		**223**	290
Net increase in cash position		**16,561**	436
Cash beginning of period		**27,714**	61,041
Cash, end of period		**$ 44,275**	$ 61,477
Income taxes paid (recovered)		**$ 789**	$ (1,169)
Interest paid		**$ 8,270**	$ 6,692

The accompanying notes are an integral part of these interim condensed consolidated financial statements

1. GENERAL INFORMATION

Boyd Group Services Inc. ("BGSI" or the "Company") is a Canadian corporation and controls The Boyd Group Inc. and its subsidiaries.

The Company's business consists of the ownership and operation of autobody/autoglass repair facilities and related services. At the reporting date, the Company operated locations in Canada under the trade name Boyd Autobody & Glass and Assured Automotive, as well as in the U.S. under the trade name Gerber Collision & Glass. In addition, the Company is a major retail auto glass operator in the U.S. under the trade names Gerber Collision & Glass, Glass America, Auto Glass Service, Auto Glass Authority and Autoglassonly.com. The Company also operates Gerber National Claim Services ("GNCS"), that offers glass, emergency roadside and first notice of loss services.

The shares of the Company are listed on the Toronto Stock Exchange and trade under the symbol "BYD.TO". The head office and principal address of the Company are located at 1745 Ellice Avenue, Unit C1, Winnipeg, Manitoba, Canada, R3H 1A6.

The policies applied in these interim condensed consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and effective as of May 10, 2022, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in BGSI's annual consolidated financial statements for the year ending December 31, 2022 could result in restatement of these interim condensed consolidated financial statements.

2. BASIS OF PRESENTATION

These interim condensed consolidated financial statements for the three months ended March 31, 2022 have been prepared in accordance with IAS 34, *Interim financial reporting* using the same accounting policies and methods of computation followed in the consolidated financial statements for the year ended December 31, 2021. The interim condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended December 31, 2021, which have been prepared in accordance with IFRS. These consolidated financial statements are presented in U.S. dollars ("USD").

(thousands of U.S. dollars, except share and share amounts)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

COVID-19 Impact

The COVID-19 pandemic impacted the demand for collision repair services throughout 2020 and 2021 and continued to impact demand in Canada during the first quarter of 2022. A slower economic re-opening, as well as greater restrictions, caused a more significant decline in demand for services in Canada when compared to the U.S.

As at March 31, 2022, BGSI is not able to reliably forecast the severity or duration of the impact that COVID-19 will have on the economy, or on BGSI's operations. The extent to which the impacts of the COVID-19 pandemic affects the judgments and estimates depend on future developments, which are highly uncertain and cannot be predicted. Management will continue to monitor and assess the impact of the pandemic on its judgments, estimates, accounting policies and amounts recognized in these interim condensed consolidated financial statements.

4. ACQUISITIONS

The Company completed five acquisitions that added eight locations during the three months ended March 31, 2022 as follows:

Acquisition Date	Location
January 3, 2022	Springhill & Thompson’s Station, TN (2 locations)
February 11, 2022	Signal Hill, CA
March 18, 2022	Bossier City & Shreveport, LA (2 locations)
March 28, 2022	New Smyrna Beach, FL
March 31, 2022	Eau Claire and Plover, WI (2 locations)

During the first quarter of 2022, the Company acquired a single location glass business in Minnesota.

(thousands of U.S. dollars, except share and share amounts)

BGSI has accounted for the 2022 acquisitions using the acquisition method as follows:

Acquisitions in 2022		Total acquisitions
Identifiable net assets acquired at fair value:		
Other currents assets	$	298
Property, plant and equipment		5,205
Right of use assets		7,431
Identified intangible assets		
Customer relationships		5,769
Non-compete agreements		186
Liabilities assumed		
Lease liabilities		(7,431)
Identifiable net assets acquired	$	11,458
Goodwill		2,145
Total purchase consideration	$	13,603
Consideration provided		
Cash paid or payable	$	12,793
Seller notes		810
Total consideration provided	$	13,603

The preliminary purchase prices for the 2022 acquisitions may be revised as additional information becomes available. Further adjustments may be recorded in future periods as purchase price adjustments are finalized.

Canadian acquisition transactions are initially recognized in U.S. dollars at the rates of exchange in effect on the transaction dates. Subsequently, the assets and liabilities are translated at the rate in effect at the Statement of Financial Position date.

A significant part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce and the operating know-how of key personnel. However, no intangible assets qualified for separate recognition in this respect.

Goodwill recognized during 2022 is expected to be deductible for tax purposes.

On the statement of cash flows, included as part of cash used for acquisition and development of business were costs related to the acquisition of businesses, as well as the development of businesses which consisted primarily of property, plant and equipment additions.

(thousands of U.S. dollars, except share and share amounts)

5. INVENTORY

As at	**March 31, 2022**	December 31, 2021
Parts and materials	**$ 21,181**	$ 20,837
Work in process	**55,220**	45,947
Balance, end of period	**$ 76,401**	$ 66,784

6. PROPERTY, PLANT AND EQUIPMENT

As at	**March 31, 2022**	December 31, 2021
Balance, beginning of year	**$ 332,189**	$ 237,945
Acquired through business combination	**5,205**	44,231
Additions	**16,035**	92,997
Proceeds on disposal	**(31,140)**	(1,145)
Gain on disposal	**972**	327
Transfers from right of use assets	**6**	328
Depreciation	**(11,523)**	(42,602)
Foreign exchange	**206**	108
Balance, end of period	**$ 311,950**	$ 332,189

During the first quarter of 2022, BGSI completed sale leaseback transactions for 23 properties for total proceeds of $29,773, which resulted in the recognition of a gain on sale of $103. The properties will continue to operate under 15-year leases entered into under these sale-leaseback agreements. The increase in start-up locations resulted in a build up of real estate assets. The Company's strategy has been to not hold real estate. The sale leaseback transactions allowed the Company to replenish capital while continuing to use these properties. Of the sale leaseback transactions, 13 relate to properties that are current operating locations for the Company and 10 relate to start-up locations currently under development.

(thousands of U.S. dollars, except share and share amounts)

7. RIGHT OF USE ASSETS

As at		**March 31, 2022**		December 31, 2021
Balance, beginning of year	**$**	**502,036**	$	381,966
Acquired through business combinations		**7,431**		140,273
Additions and modifications		**53,708**		68,461
Depreciation		**(24,143)**		(88,523)
Loss on disposal		**(94)**		—
Transfers to property, plant and equipment		**(6)**		(328)
Foreign exchange		**775**		187
Balance, end of period	**$**	**539,707**	$	502,036

8. INTANGIBLE ASSETS

As at		**March 31, 2022**		December 31, 2021
Balance, beginning of year	**$**	**348,727**	$	276,381
Acquired through business combination		**5,955**		89,762
Additions		**26**		4,917
Amortization		**(7,080)**		(22,569)
Foreign exchange		**907**		236
Balance, end of period	**$**	**348,535**	$	348,727

9. GOODWILL

As at		**March 31, 2022**		December 31, 2021
Balance, beginning of year	**$**	**601,991**	$	463,734
Acquired through business combination		**2,145**		137,836
Foreign exchange		**1,475**		421
Balance, end of period	**$**	**605,611**	$	601,991

(thousands of U.S. dollars, except share and share amounts)

10. DIVIDENDS

The Company's Directors have discretion in declaring dividends. The Company declares and pays dividends from its available cash from operations taking into account current and future performance amounts necessary for principal and interest payments on debt obligations, amounts required for maintenance capital expenditures and amounts allocated to reserves.

The Company declared dividends of C$0.144 per share in the first quarter of 2022 (2021 - C$0.141).

Dividends to shareholders were declared and paid as follows:

Record date	**Payment date**	**Dividend amount**	
March 31, 2022	April 27, 2022	$	2,441
		$	2,441

Record date	**Payment date**	**Dividend amount**	
March 31, 2021	April 28, 2021	$	2,408
		$	2,408

11. LONG-TERM DEBT

Long-term debt is comprised of the following:

As at		**March 31, 2022**		December 31, 2021
Revolving credit facility & swing line (net of financing costs)	**$**	**255,839**	$	263,802
Term Loan A (net of financing costs)		**124,691**		124,680
Seller notes		**50,556**		53,591
	$	**431,086**	$	442,073
Current portion		**13,910**		13,887
	$	**417,176**	$	428,186

(thousands of U.S. dollars, except share and share amounts)

The following is the continuity of long-term debt:

As at		**March 31, 2022**		December 31, 2021
Balance, beginning of period	**$**	**442,073**	$	180,228
Consideration on acquisition		**810**		14,570
Draws		**37,000**		330,500
Repayments		**(48,346)**		(83,504)
Deferred financing costs		**(514)**		—
Amortization of deferred finance costs		**83**		286
Foreign exchange		**(20)**		(7)
Balance, end of period	**$**	**431,086**	$	442,073

Included in finance costs for the three months ended March 31, 2022 is interest on long-term debt of $3,337 (2021 - $2,332).

12. LEASE LIABILITIES

The following is the continuity of lease liabilities:

As at		**March 31, 2022**		December 31, 2021
Balance, beginning of period	**$**	**543,347**	$	419,311
Assumed on acquisition		**7,431**		140,273
Additions and modifications		**54,798**		68,461
Repayments		**(28,154)**		(102,996)
Financing costs		**4,978**		18,099
Foreign exchange		**864**		199
Balance, end of period	**$**	**583,264**	$	543,347
Current portion		**94,861**		92,924
	$	**488,403**	$	450,423

Lease expenses are presented in the consolidated statement of earnings as follows:

	Three months ended March 31,			
		2022		2021
Operating expenses	**$**	**1,338**	$	1,045
Depreciation of right of use assets	**$**	**24,143**	$	20,112
Finance costs	**$**	**4,978**	$	4,174

(thousands of U.S. dollars, except share and share amounts)

13. FINANCIAL INSTRUMENTS

Carrying value and estimated fair value of financial instruments

			March 31, 2022		December 31, 2021	
	Classification	Fair value hierarchy	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial assets						
Cash	Amortized cost	n/a	**44,275**	44,275	27,714	27,714
Accounts receivable	Amortized cost	n/a	**110,077**	110,077	103,024	103,024
Financial liabilities						
Accounts payable and accrued liabilities	Amortized cost	n/a	**281,585**	281,585	258,423	258,423
Dividends payable	Amortized cost	n/a	**2,474**	2,474	2,439	2,439
Long-term debt	Amortized cost	n/a	**431,086**	424,430	442,073	437,717

For the Company's current financial assets and liabilities, including accounts receivable, accounts payable and accrued liabilities, and dividends payable, which are short term in nature and subject to normal trade terms, the carrying values approximate their fair value. The fair value of BGSI's long-term debt has been determined by calculating the present value of the interest rate spread that exists between the actual Term Loan A and the rate that would be negotiated with the economic conditions at the reporting date. As there is no ready secondary market for BGSI's other long-term debt, the fair value has been estimated using the discounted cash flow method.

Collateral

The Company's syndicated loan facility is collateralized by a General Security Agreement. The carrying amount of the financial assets pledged as collateral for this facility at March 31, 2022 was approximately $154,352 (December 31, 2021 - $130,738).

14. SEASONALITY

BGSI's financial results for any individual quarter are not necessarily indicative of results to be expected for the full year. Interim period revenues, operating expenses and earnings are typically sensitive to regional and local weather, market conditions, and in particular, to cyclical variations in economic activity and market demand.

(thousands of U.S. dollars, except share and share amounts)

15. SEGMENTED REPORTING

BGSI has one reportable line of business, being automotive collision repair and related services, with all revenues relating to a group of similar services. In this circumstance, IFRS requires BGSI to provide geographical disclosure. For the periods reported, all of BGSI's revenues were derived within Canada or the United States of America. Reportable assets include property, plant and equipment, right of use assets, goodwill and intangible assets which are all located within these two geographic areas.

	Three months ended March 31,	
	2022	2021
Revenues		
Canada	**$ 45,831**	$ 37,277
United States	**510,924**	384,366
	$ 556,755	$ 421,643

Reportable Assets As at	**March 31, 2022**	December 31, 2021
Canada	**$ 234,736**	$ 233,024
United States	**1,571,067**	1,551,919
	$ 1,805,803	$ 1,784,943

16. EARNINGS PER SHARE

	Three months ended March 31,	
	2022	2021
Net earnings	**$ 1,608**	$ 7,743
Basic weighted average number of shares	**21,472,194**	21,472,194
Add:		
Stock option plan	**—**	324
Average number of shares outstanding - diluted basis	**21,472,194**	21,472,518
Basic earnings per share	**$ 0.07**	$ 0.36
Diluted earnings per share	**$ 0.07**	$ 0.36

The stock options are instruments that could have potentially diluted basic earnings per share for the three months ended March 31, 2022, but were not included in the calculation of diluted earnings per share because they were anti-dilutive for the period.

(thousands of U.S. dollars, except share and share amounts)

17. STOCK OPTION PLAN

During the first quarter of 2021, the Company instituted a stock option plan for senior management, which was approved by shareholders on May 12, 2021. The Company's stock option plan allows for the granting of options up to an amount of 250,000 Common shares under this plan. Each tranche of the options vests equally over two, three, four and five year periods. The term of an option shall be determined and approved by the People, Culture and Compensation Committee; provided that the term shall be no longer than ten years from the grant date.

On March 31, 2021 the Company issued 13,831 options under the stock option plan with a grant date fair value of C$56.99 per option and an exercise price of C$219.21 per option. None of the options are exercisable at period end. Issue costs of $105 were incurred with respect to the stock option plan.

On March 31, 2022 the Company issued 18,878 options under the stock option plan with a grant date fair value of C$47.08 per option and an exercise price of C$164.68 per option. None of the options are exercisable at period end. Issue costs of $nil were incurred with respect to the 2022 options issued under the stock option plan.

18. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at	December 31, 2021	Cash Flows	Non-cash changes: Acquisition	Other items	Fair value changes	Foreign exchange	**March 31, 2022**
Long-term debt	$ 442,073	(15,197)	810	3,420	—	(20)	**$ 431,086**
Lease liabilities	543,347	(28,154)	7,431	59,776	—	864	**583,264**
Dividends	2,439	(2,451)	—	2,441	—	45	**2,474**
	$ 987,859	(45,802)	8,241	65,637	—	889	**$ 1,016,824**